

VZCZCXRO0874
PP RUEHROV
DE RUEHEG #2015 1831043
ZNY CCCCC ZZH
P 021043Z JUL 07
FM AMEMBASSY CAIRO
TO RUEHC/SECSTATE WASHDC PRIORITY 5898
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
INFO RUEHKK/ARAB ISRAELI COLLECTIVE PRIORITY

C O N F I D E N T I A L CAIRO 002015

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TREASURY FOR SAEED AND MATHIASON
NSC FOR WATERS

E.O. 12958: DECL: 06/30/2017

TAGS: [EFIN](#) [ECON](#) [PREL](#) [IZ](#) [EG](#)

SUBJECT: AMBASSADOR URGES GOE TO PROVIDE DEBT RELIEF FOR
IRAQ

REF: A. STATE 88875

[B](#). CAIRO 1125

[C](#). CAIRO 1188

[D](#). CAIRO 1258

[E](#). CAIRO 1822

Classified by Ambassador Francis J. Ricciardone for reasons
1.5 (b) and (d).

[1](#). (C) Meeting June 28 with Prime Minister Ahmed Nazif, Ambassador urged the GOE to restart negotiations to provide debt relief for Iraq and move toward fulfilling its commitment under the International Compact on Iraq (ref A).

[2](#). (C) Nazif responded that the GOE is still considering the issue. "We need more proof from the Iraqi side that they will abide by" their commitments, he said. Meanwhile, he noted that the GOE is supporting the Iraqi government in other ways such as welcoming the Iraqi PM and vice presidents on visits to Cairo and placing 180 Iraqi students in Egyptian schools and universities.

[3](#). (C) The Sharm resolution, endorsed by the GOE and other countries present at the conference, says that assistance offered the GOI "may include the granting of debt relief to Iraq by creditors at least on comparable terms to the Paris Club..." The GOE never publicly committed to Paris Club terms.

[4](#). (C) COMMENT: The GOE has shown no enthusiasm for debt relief to Iraq (refs B-E), despite the language in the compact. A chief obstacle for the GOE is their desire for the GOI to fully repay worker remittances, as opposed to 50 percent, offered in an exchange of letters between the GOI and GOE before the Sharm conference.

RICCIARDONE